

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>)	VIRGINIA GAS
)	AND OIL BOARD
)	
RELIEF SOUGHT	EXCEPTION TO STATEWIDE SPACING)	
	LIMITATIONS PRESCRIBED BY)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2))	<u>VGOB-12-0515-3069</u>
	FOR <u>WELL NO. 900106</u>)	
)	
)	
)	
)	
LEGAL DESCRIPTION:)	
)	
	DRILLING UNIT SERVED BY WELL)	
	NUMBERED <u>900106</u>)	
	TO BE DRILLED IN THE LOCATION)	
	DEPICTED ON EXHIBIT A HERETO,)	
	<u>Big Sandy Fuel Corporation Tract</u>)	
	12,627.34 Acres, more or less)	
	<u>ELKHORN CITY QUADRANGLE</u>)	
	<u>ROCK LICK DISTRICT</u>)	
	<u>DICKENSON COUNTY, VIRGINIA</u>)	
	(the "Subject Lands" are more particularly described)	
	on Exhibit "A" , attached hereto and made a part)	
	hereof))	

REPORT OF THE BOARD

FINDINGS AND ORDER

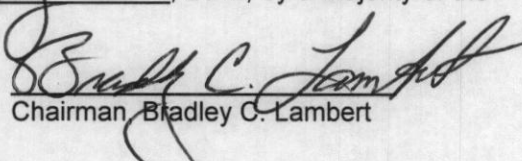
1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m.** on **May 15, 2012** at the Russell County Conference Center, Highland Drive, Lebanon, Virginia.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Revised Exhibit B.
5. Dismissals: None.
6. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for **Well No. 900106**.
7. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed **Well No. 900106** which is **2,074 feet from Range Resources-Pine Mountain, Inc. Well No. 809583; 1,977 feet from Range Resources-Pine Mountain, Inc. Well No. 820687 and 1,971 feet from Range Resources-Pine Mountain, Inc. proposed Well No. 809634** at the location depicted on the Plat attached hereto as **Exhibit A**.
8. Special Findings: The Board specifically and specially finds:
- 8.1 Applicant is **Range Resources-Pine Mountain, Inc.** Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 8.2 Applicant **Range Resources-Pine Mountain, Inc.** is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 8.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. **900106** as well as the right to participate and develop the reciprocal wells, being **Range Resources-Pine Mountain, Inc. Well Nos. 809583, 820687 and 809634;**
- 8.4 The proposed Well No. **900106** is located on the **Big Sandy Fuel Corporation Tract containing 12,627.34 acres** and the surface, coal, gas and oil owners have consented to the proposed location for Well No. **900106** that is depicted on the Plat attached hereto as **Exhibit A;**
- 8.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal **Range Resources-Pine Mountain, Inc. Well Nos. 809583, 820687 and 809634** and that the granting of the application filed herein will not impact the correlative rights of any person;
- 8.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. **900106** is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of **500** million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
- 8.7 Applicant proposes the drilling of Well No. **900106** to a depth of **5,166** feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, **Ravenc Cliff, Maxon, Big Lime, Weir, Berea and Devonian Shale**, from surface to total depth drilled, **5,166** feet ("Subject Formations");
- 8.8 Applicant proposes to drill Well No. **900106** a distance of **426.00** feet closer to Well No. 809583; **523** feet closer to Well No. 820687; and **529** feet closer

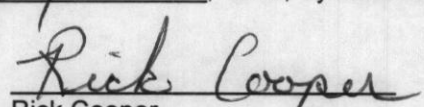
to proposed Well No. 809634 than the 2500 feet mandated by statewide spacing;

- 8.9 Applicant proposes to complete and operate Well No. 900106 for the purpose of producing Conventional Gas;
9. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.
10. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
11. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 31 day of May, 2012, by a majority of the Virginia Gas and Oil Board.

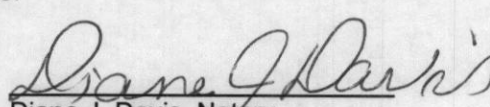

Chairman Bradley C. Lambert

DONE AND PERFORMED this 31ST day of May, 2012, by Order of this Board.


Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

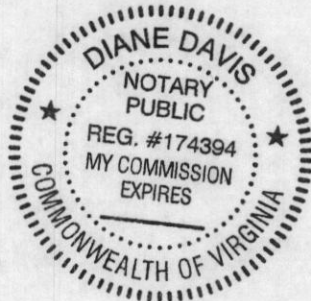
STATE OF VIRGINIA)
COUNTY OF ~~WASHINGTON~~)

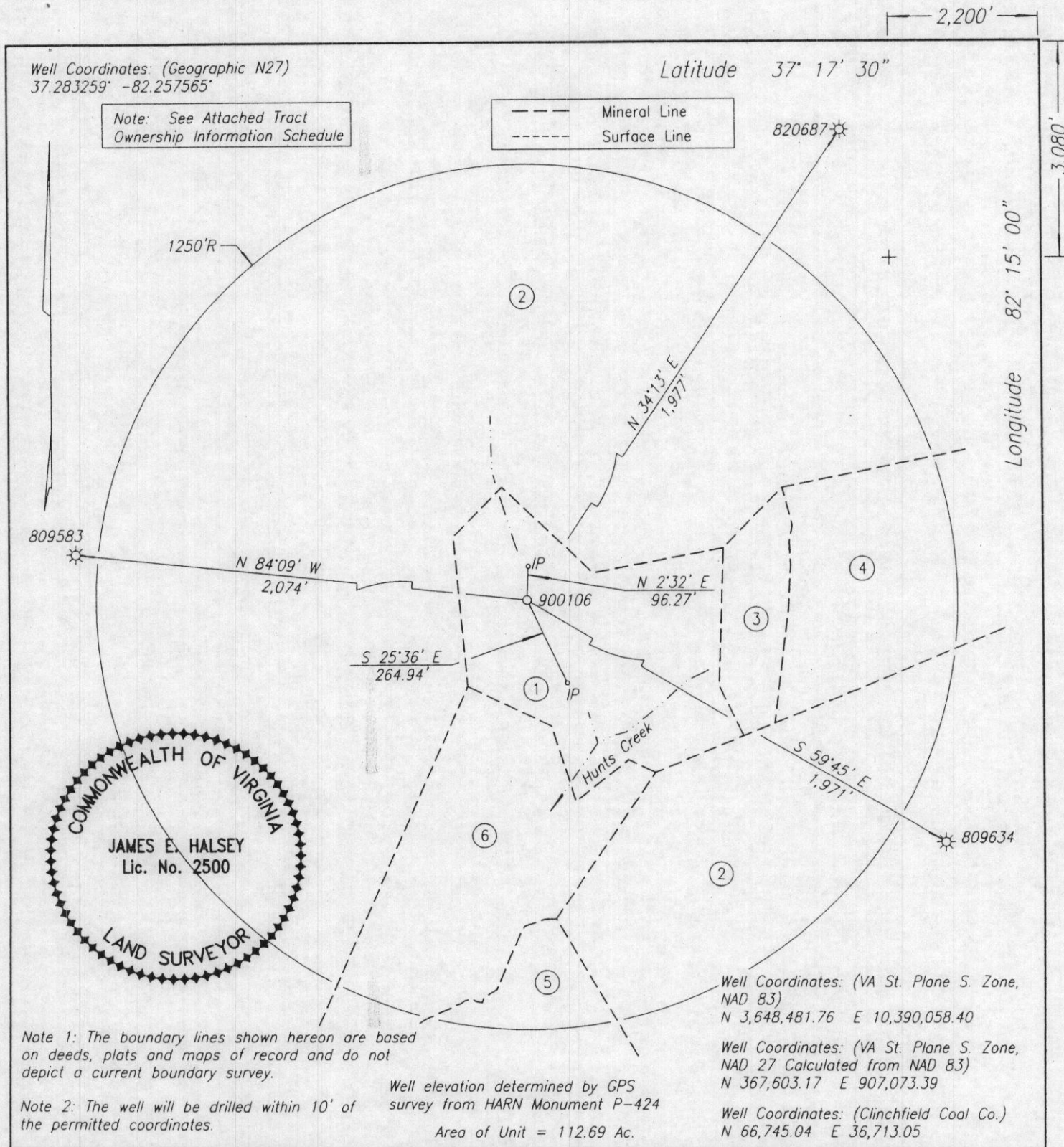
31ST day of May, 2012, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and were authorized to do so.


Diane J. Davis, Notary
174394

My commission expires: September 30, 2013

msword2000\pmog\well.location.exception.900106 order May 24, 2012]





WELL LOCATION PLAT NORA GRID L-60

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER 900106
TRACT NO. LS. No. 450270522 ELEVATION 1,550.87' QUADRANGLE Elkhorn City
COUNTY Buchanan DISTRICT Rock Lick SCALE 1" = 400' DATE 4-12-2012

This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to
24,000, latitude and longitude lines being represented by border lines as shown

James E. Halsey
Licensed Professional Engineer or Licen

Exhibit A

900106 PLAT
TRACT OWNERSHIP INFORMATION SCHEDULE
4/12/2012

- 1 . Lease No. 450270522 (1063751)
Glema Auville heirs - surface, coal, oil & gas
12 Acres
Gas 10.37 ac. 9.20%
- 2 . Big Sandy Fuel Corp.
12,627.34 acres
ACIN LLC - coal
Alpha Land & Reserves LLC - coal lessee
WBRD LLC - coal
Dickenson - Russell Coal Company LLC - coal lessee
Range Resources - Pine Mountain, Inc. - oil & gas
Gas 81.05 ac. 71.92%
- 3 . Lease No. 450270552 (1064332)
Glema Auville heirs - surface, oil & gas
6 Acres
Gas 2.53 ac. 2.25%
- 4 . Lease No. 450270522 (1063751)
Clayton Edward Hill - surface, oil & gas
6 Acres
Gas 6.80 ac. 6.03%
- 5 . Lease No. 450270523 (1063753)
Bruce Mullins heirs - oil & gas
12 Acres
Gas 1.97 ac. 1.75%
- 6 . Lease No. 450270522 (1063751)
Glema Auville heirs - surface, coal, oil & gas
12 Acres
Gas 9.97 ac. 8.85%

Revised
Exhibit "B"
WLE 900106
5,166'

DEPTH -

Dickenson-Russell Coal Company
Maxxim Shared Services, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

ALPHA Land & Reserves, LLC
Attn: Steve Smith
5703 Crutchfield Drive
Norton, VA 24273

WBRD LLC
John Mooney
5260 Irwin Road
Huntington, WV 25705-3247

ACIN LLC
John Mooney
5260 Irwin Road
Huntington, WV 25705-3247

Wellmore Coal Company, LLC
Attn: Andy Hrovatic
P.O. Box 458
Big Rock, VA 24603

Katie Jo Owens Wysor
C/O Glemma Auville Estate
4380 Loggy Bottom Road
Pilgrims Knob, VA 24634

Katie Jo Owens Wysor
C/O Gazel Owens
PO Box 132
Breaks, VA 24607

Elster Ray Ramey
2712 Lynn Camp Branch Rd
Grundy, VA 24614-5419

Clayton Edward Hill
PO Box 177
Breaks, VA 24607

Robert J Mullins
9280 Old Stage Road
Prince George, VA 23875

Jean Pauline Simpson Heirs
1104 Blackwood Place
Modesto, CA 95355

Billy Sue Steubler
1113 Mahogany Ln
Cedar Park, TX 78613

Kermit Michael Mullins
385 Monterey Dr
Laguna Beach, CA 92651-1753

Warren G Mullins Estate
1858 Council
Lincoln Park, MI 48146

Michael Mullins
2648 North Lapeer Rd
Lapeer, MI 48446

Sandra Coombe
2634 Rolling Oaks Dr
Dryden, MI 48428

David Mullins
7219 Dodge
Warren, MI 48093

Terry Reynard Mullins
PO Box 172
Breaks, VA 24607

Ronnie Rakes
2409 Bermuda Ave
Chester, VA 23836

Brenda Price
5713 Carriage House Crt
Apex, NC 27539

Lucille Mounts
4790 Ansley Lane
Cummings, GA 30040-5260

Sherri Panza
21015 Rache
Brownstown TWP, MI 48183

Jerry M Owens
PO Box 14
Breaks, VA 24607